



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

L. Preston Bryant, Jr.
Secretary of Natural Resources

NORTHERN VIRGINIA REGIONAL OFFICE
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David K. Paylor
Director

~~Jeffery A. Steers~~
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO

LOHMANN SPECIALTY COATINGS, LLC
Registration No. 41025

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1307.D, 10.1-1309 and 10.1-1316.C between the State Air Pollution Control Board (SAPCB) and Lohmann Specialty Coatings, LLC for the purpose of resolving certain violations of the Air Pollution Control Law and/or regulations as specified in Section C of this Order.

SECTION B: Definitions

Unless the context indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Va. Code §§ 10.1-1301 and 10.1-1184.
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality.
5. "Order" means this document, also known as a Consent Order.

6. "Lohmann" means Lohmann Specialty Coating, LLC., registered and authorized to do business in Virginia under the Air Permit #41025 issued by DEQ.
7. "Facility" means the Lohmann Specialty Coating plant at the Litchfield Drive location in Orange County, Virginia.
8. "NRO" means the Northern Regional Office of DEQ, located in Woodbridge, Virginia.
9. "FSO" means the Fredericksburg Satellite Office of the Northern Virginia Regional Office of DEQ, located in Fredericksburg, Virginia.
10. "Permit" means Stationary Source Permit to Construct and Operate, Registration Number 41025 which became effective February 11, 2005.

SECTION C: Findings of Fact and Conclusions of Law

1. Lohmann Specialty Coatings, LLC owns and operates a facility of the same name located at 14281 Litchfield Drive, Orange Virginia 22960 (Orange County).
2. DEQ performed a Partial Compliance Evaluation inspection of Lohmann on July 20, 2007 and found deficiencies in operation as required by the facility air permit issued February 11, 2005 (Permit) and Condition 2 of Appendix A of the May 9, 2007 Consent Order. The Consent Order was issued by DEQ to resolve previous permit violations by Lohmann.
3. In response to the July 20, 2007 inspection, DEQ issued a Notice of Violation (NOV) on August 17, 2007, notifying Lohmann of the following alleged violations.
 - a. *Permit Condition 13 of the Permit* – Lohmann exceeded the facility wide throughput limits of isopropyl alcohol (IPA) of 179,070 gallons for the months April and May 2007.
 - b. *Permit Condition 9 of the Permit* – Lohmann failed to provide records of the annual inspection of the facility's Regenerative Thermal Oxidizer (RTO).
 - c. *Condition 2 of Appendix A of the Consent Order Issued to Lohmann and executed on May 9, 2007* – Lohmann failed to create and implement a procedure to provide weekly notification(s) in writing to FSO of the duration of any RTO bypasses including the reason for the bypass and the actions taken to correct the bypass. Lohmann asserts it was following the terms of the permit, not the Consent Order. Lohmann has come into compliance with this condition and additionally has installed a recording device and audible alarm to alert the facility to any future RTO Bypasses. As the alleged violation has been addressed prior to the signing of this Consent Order it will not be a specific focus of Appendix A.

4. Lohmann met with DEQ staff to discuss the August 17, 2007 NOV on September 5, 2007 and addressed the issue that the facility knew that its isopropyl alcohol (IPA) limits were being exceeded and was in the process of applying to DEQ to amend the Permit in order to increase the facility's throughput to 300,000 gallons.
5. Lohmann has begun corrective action in regards to Permit Condition 9 and the requirement to create and implement an annual inspection of the facility's RTO unit. On July 28, 2007 Lohmann had an emergency inspection of the RTO and began negotiating with the manufacturer to create an annual agreement for maintenance and inspection of the RTO. In addition, as of the September meeting with DEQ, Lohmann was in the process of drafting a maintenance plan for the RTO.
6. In response to the facility's continued exceedance of the IPA throughput limits, DEQ issued Lohmann a NOV on October 17, 2007, notifying Lohmann of the alleged violations of Permit Condition 13 of the Permit issued February 11, 2005.
 - a. *Permit Condition 13 of the Permit*– Lohmann exceeded the facility wide throughput limits of isopropyl alcohol (IPA) of 179,070 gallons for the months of July and August 2007.
7. DEQ issued Lohmann an amended Permit on September 19, 2007 increasing the facility's allowable throughput to 300,000 gallons of IPA, thereby resolving the need for any additional corrective action for Permit Condition 13.

SECTION D: Agreement and Order

By virtue of the authority granted it in Va. Code §§10.1-1307.D, 10.1-1309 and 10.1-1316.C the Board orders Lohmann Specialty Coatings, LLC, and Lohmann Specialty Coatings, LLC agrees, to perform the actions described in Appendix A of this Order. In addition, the Board orders Lohmann Specialty Coatings, LLC, and Lohmann Specialty Coatings, LLC voluntarily agrees, to pay a civil charge of Ten Thousand dollars (\$10,000) within 30 days of the effective date of the Order in settlement of the violations cited in this Order. Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia", delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Either on a transmittal letter or as a notation on the check, Lohmann shall indicate that this payment is submitted pursuant to this Order and shall include the Federal Identification Number for Lohmann.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Lohmann Specialty Coatings, LLC, for good cause shown by Lohmann Specialty Coatings, LLC, or on its own motion after notice and opportunity to be heard.
2. This Order addresses and resolves only those violations specifically identified herein, including those matters addressed in the Notice of Violations issued to Lohmann Specialty Coatings, LLC on August 17, 2007 and October 17, 2007. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking action regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce this Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities, whether or not arising out of the same or similar facts, for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Lohmann Specialty Coatings, LLC admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.
4. Lohmann Specialty Coatings, LLC consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Lohmann Specialty Coatings, LLC declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 2.2-4000 *et seq.*, and the Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.
6. Failure by Lohmann Specialty Coatings, LLC to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall act to waive or bar the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Lohmann Specialty Coatings, LLC shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or other such circumstance. Lohmann Specialty Coatings, LLC must show that such circumstances resulting in noncompliance

were beyond its control and not due to a lack of good faith or diligence on its part. Lohmann Specialty Coatings, LLC shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of this Order. Such notice shall set forth:

- a. The reasons for the delay or noncompliance;
- b. The projected duration of any such delay or noncompliance;
- c. The measures taken and to be taken to prevent or minimize such delay or noncompliance; and
- d. The timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Director of the Regional Office in writing within 24 hours of learning of any condition above, which Lohmann Specialty Coatings, LLC intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim of inability to comply with a requirement of this Order.

9. Any plans, reports, schedules or specifications attached hereto or submitted by Lohmann Specialty Coatings, LLC and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.
10. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
11. This Order shall become effective upon execution by both the Director or his designee and Lohmann Specialty Coatings, LLC.
12. This Order shall continue in effect until:
 - a. Lohmann Specialty Coatings, LLC petitions the Director or his designee to terminate the order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - b. The Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Lohmann Specialty Coatings, LLC.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Lohmann Specialty Coatings, LLC from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

13. By its signature below, Lohmann Specialty Coatings, LLC voluntarily agrees to the issuance of this Order.
14. The undersigned representative of Lohmann Specialty Coatings, LLC certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Lohmann Specialty Coatings, LLC to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Lohmann Specialty Coatings, LLC.

And it is so ORDERED this 17 day of December, 2007.

Thomas A. Faha

Thomas A. Faha, NRO Regional Director
Department of Environmental Quality

Lohmann Specialty Coatings, LLC voluntarily agrees to the issuance of this Order.

By: Steven J. De Jong

Title: President

Date: 12/17/07

Commonwealth of Virginia

City/County of Prince William, Virginia

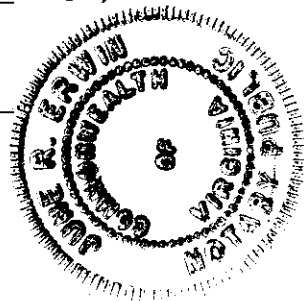
The foregoing document was signed and acknowledged before me this 17 day of December, 2007, by Steven J. De Jong, who is Steven de Jong

President
(title) of Lohmann Specialty Coatings, on behalf of the Corporation.

Jan R. Erwin
Notary Public

ID# 7089810

My commission expires: 9/30/2011



APPENDIX A

In addition to the foregoing, the Virginia State Air Pollution Control Board orders Lohmann to undertake, and Lohmann agrees to implement, the following terms and conditions of this appendix:

1. Document and provide monthly notification in writing or via email (must include document certification) to DEQ of the facility operation, which includes monthly/annual (12-month rolling total) VOC emissions, RTO's exhaust flow rates, weekly visual inspection of PTE, RTO observations, propane throughput and fuel type, for six (6) months from the effective date of this Consent Order.
2. Prepare and submit to DEQ for review no later than thirty (30) days from the effective date of this Consent Order, a copy of a planned inspection schedule, detailing the schedule and procedures for the annual inspection and evaluation of the RTO unit.